



# Journal of the House

State of Indiana

112th General Assembly

First Special Session

Second Meeting Day

Monday Afternoon

June 3, 2002

The House convened at 1:00 p.m. with the Speaker in the Chair.

The invocation was offered by Representative Jeffrey A. Thompson.

The Pledge of Allegiance to the Flag was led by Representative Mark R. Kruzan.

The Speaker ordered the roll of the House to be called:

T. Adams	Hoffman
Aguilera	Kersey
Alderman	Klinker
Atterholt	Kromkowski
Avery	Kruse ☐
Ayres	Kruzan
Bardon	Kuzman
Bauer	Lawson
Becker	Leuck
Behning	Liggett
Bischoff	J. Lutz
Bodiker	Lytle
Borror	Mahern
Bosma	Mangus
Bottorff	McClain
C. Brown	Mock ☐
T. Brown	Moses
Buck	Munson
Budak	Murphy
Buell	Noe
Burton	Oxley
Cheney	Pelath
Cherry	Pond
Cochran	Porter
Cook	Reske
Crawford	Richardson
Crooks	Ripley
Crosby	Robertson
Day	Ruppel
Denbo	Saunders
Dickinson ☐	Scholer
Dillon	M. Smith
Dobis	V. Smith
Dumezich	Steele
Duncan	Stevenson
Dvorak	Stilwell
Espich	Sturtz
Foley	Summers
Frenz	Thompson
Friend	Tincher
Frizzell	Torr
Fry ☐	Turner
GiaQuinta	Ulmer
Goodin	Weinzapfel
Grubb	Welch
Harris	Whetstone
Hasler	Wolkins ☐
Herndon	D. Young
Herrell	Yount
Hinkle	Mr. Speaker

Roll Call 2: 95 present; 5 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has overridden the veto of the Governor on Senate Enrolled Acts 19, 152, 154, 217, 233, and 459.

MARY C. MENDEL  
Principal Secretary of the Senate

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001 (ss), has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective date in SECTION 222 with "[EFFECTIVE AUGUST 1, 2002]".

Page 5, delete lines 17 through 42, begin a new paragraph and insert:

"SECTION 5. IC 4-10-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

#### Chapter 20. 21st Century Revenue Stabilization Plan

Sec. 1. As used in this chapter, "budget agency" refers to the budget agency established by IC 4-12-1-3.

Sec. 2. As used in this chapter, "budget director" has the meaning set forth in IC 4-12-1-2.

Sec. 3. As used in this chapter, "general fund revenue" means the sum of general fund revenue (as defined in IC 4-10-18-1) and revenue deposited in the property tax replacement fund (IC 6-1.1-21).

Sec. 4. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 5. As used in this chapter, "unused 21st century tax plan balance" refers to the amount determined for a state fiscal year under section 6 of this chapter.

Sec. 6. (a) After June 30, 2003, and after June 30 in each subsequent year, at the same time that the budget director makes a determination under IC 4-10-18-5 (determination of appropriations to or from the counter-cyclical revenue and economic stabilization fund), the budget director shall determine the unused 21st century tax plan balance for the immediately preceding state fiscal year under this section.

(b) The unused 21st century tax plan balance for a state fiscal year is the amount determined under the last STEP of the following formula:

STEP ONE: Calculate the net amount of additional state general fund revenue accruing to the state general fund in the immediately preceding state fiscal year as a result of:

- (A) enacting a business supplemental tax (IC 6-2.2);
- (B) eliminating local reimbursement of property tax replacement credits for certain property (IC 6-1.1-21);
- (C) increasing the adjusted gross income tax rate on corporations (IC 6-3-1 through IC 6-3-7);
- (D) increasing the state gross retail and use taxes (IC 6-2.5);
- (E) increasing the gross income tax rate applicable to public utilities;
- (F) eliminating the gross income tax (IC 6-2.1) for taxpayers other than public utilities;

(G) eliminating the supplemental net income tax (IC 6-3-8);  
 (H) increasing the renter's deduction (IC 6-3-2-6);  
 (I) increasing the research expense credit (IC 6-3.1-4);  
 (J) increasing the earned income tax credit (IC 6-3.1-20);  
 (K) changing the business personal property tax credit to an inventory tax credit (IC 6-3.1-23.8); and  
 (L) establishing an investment tax credit (IC 6-3.1-24);  
 through legislation enacted by the general assembly in 2002.

**STEP TWO:** Calculate the amount of additional expenses incurred by the state in the immediately preceding state fiscal year as a result of:

(A) increasing local reimbursement for homestead credits (IC 6-1.1-20.9); and  
 (B) increasing local reimbursement of property tax replacement credits for certain property and certain levies (IC 6-1.1-21);

through legislation enacted by the general assembly in 2002.

**STEP THREE:** Determine the greater of the following:

(A) Zero (0).  
 (B) The result of the STEP ONE amount minus the STEP TWO amount.

**Sec. 7.** As soon as possible after making the determination under section 6 of this chapter, the budget director shall certify the unused 21st century tax plan balance amount determined under section 6 of this chapter to the treasurer of state.

**Sec. 8.** If the unused 21st century tax plan balance amount certified under section 7 of this chapter is greater than zero (0), the treasurer of state shall transfer the unused 21st century tax plan balance to the counter-cyclical revenue and economic stabilization fund (IC 4-10-18-5)."

Delete page 6.

Page 7, delete lines 1 through 35.

Page 10, delete lines 25 through 42.

Page 11, delete lines 1 through 10.

Page 18, delete lines 8 through 27.

Page 31, delete lines 11 through 13, begin a new line double block indented and insert:

"(A) In the case of a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), the amount determined under subsection (d) shall be paid as follows:"

Page 31, delete lines 22 through 26, begin a new line double block indented and insert:

"(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the amount determined under subsection (e) shall be paid to the county in which the racetrack from which the tax revenue was collected is located."

Page 32, delete lines 5 through 27, begin a new line double block indented and insert:

"(A) Three percent (3%) is to be distributed in equal amounts for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

- (i) The horsemen's associations representing the standardbred owners and trainers.
- (ii) The horsemen's associations representing the thoroughbred owners and trainers.
- (iii) The horsemen's associations representing the quarterhorse owners and trainers.

(B) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

- (i) To a breed development fund established by the commission under IC 4-31-11-10.
- (ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses,

promotions, and routine operations.

(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities."

Page 43, delete lines 6 through 7, begin a new paragraph and insert:

"(d) A person may not have an ownership interest in more than two (2) riverboat owner's licenses issued under this chapter. However, if a person:

- (1) has an ownership interest in a riverboat owner's license; and
- (2) manages a pari-mutuel pull tab facility under IC 4-31-7.5;

the person may not have an ownership interest in any other riverboat owner's license."

Page 62, delete lines 25 through 26, begin a new line triple block indented and insert:

"(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities."

Page 63, delete lines 9 through 21, begin a new line double block indented and insert:

"(H) The remainder to the state general fund.

The treasurer of state shall proportionately distribute the amounts that are required to be paid in each state fiscal year under clauses (A) through (H) in twelve (12) equal installments based on an estimate of total projected revenues for the state fiscal year certified by the budget agency or, if the budget agency modifies its estimate, the recertified estimate of projected revenues for the state fiscal year. In December of each state fiscal year, the treasurer of state shall transfer from money deposited under clause (H) to each of the specified purposes under clauses (A) through (G) the remainder of any amount necessary to provide fifty percent (50%) of the funding specified in clauses (A) through (G) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. In June of each state fiscal year, the treasurer of state shall transfer from money deposited under clause (H) to each of the specified purposes under clauses (A) through (G) the remainder of any amount necessary to provide one hundred percent (100%) of the funding specified in clauses (A) through (G) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. However, if insufficient money is deposited under clause (H) to comply with this subsection, the treasurer of state shall proportionally reduce the amount transferred to each purpose in clauses (A) through (G).

(b) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(2)(H) to the build Indiana fund *lottery and gaming surplus account*: an amount not to exceed two hundred fifty

million dollars (\$250,000,000). The amount transferred under this subsection shall be paid in two (2) equal installments not to exceed one hundred twenty-five million dollars (\$125,000,000) each on the last day of December and the last day of June each state fiscal year and shall be reduced by the following amounts deposited in the build Indiana fund during the same state fiscal year:

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall distribute the amounts required to be paid under this subsection based on an estimate of total amount to be transferred to the state general fund under subsection (a)(2)(H) for the state fiscal year certified by the budget agency or, if the budget agency modifies its estimate, the recertified estimate of the amount to be transferred to the state general fund under subsection (a)(2)(H). If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(2)(H) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(2)(H) for the state fiscal year. Projects for which money was appropriated from the build Indiana fund under P.L.291-2001, SECTION 38, must be funded, upon review of the budget committee, from the money transferred under this subsection."

Page 63, line 22, delete "(b)" and insert "(c)".

Page 63, delete lines 27 through 39, begin a new line block indented and insert:

- "(1) Twenty-four percent (24%) to the state general fund.
- (2) Thirty-five percent (35%) to the historic district described in IC 4-33-1-1(3).
- (3) Twenty-seven percent (27%) to be divided evenly among the counties contiguous to Patoka Lake.
- (4) Five percent (5%) to a town described in IC 4-33-1-1(3)(C)(i).
- (5) Five percent (5%) to a town described in IC 4-33-1-1(3)(C)(ii).
- (6) Two percent (2%) to the tourism commission of a town described in IC 4-33-1-1(3)(C)(i).
- (7) Two percent (2%) to the tourism commission of a town described in IC 4-33-1-1(3)(C)(ii)."

Page 63, line 42, delete "(c)" and insert "(d)".

Page 64, line 12, delete "(d)" and insert "(e)".

Page 64, line 28, delete "(e)" and insert "(f)".

Page 64, line 32, after "facility" insert "that offers pari-mutuel pull tabs".

Page 65, between lines 3 and 4, begin a new paragraph and insert:

"(g) At least ten percent (10%) of the money retained by a county under subsection (f)(3) must be used to promote tourism. If a county has a convention, visitor, and tourism promotion fund, or a similar fund, the county treasurer shall deposit the required amount into the fund."

Page 65, delete lines 19 through 22, begin a new paragraph and insert:

"(c) Money paid by the treasurer of state under section 5(c)(6) and 5(c)(7) of this chapter must be used only for the tourism promotion, advertising, and economic development activities of the respective towns."

Page 69, line 3, delete "women and".

Page 69, line 3, after "minority" insert "and women".

Page 69, delete lines 36 through 39, begin a new paragraph and insert:

"Sec. 8. The net income derived from the riverboat after the payment of all operating expenses shall be deposited in the community trust fund established by IC 36-7-11.4-4."

Page 70, delete lines 5 through 7, begin a new line blocked left and insert:

"the historic preservation commission shall deposit the remaining tax revenue in the community trust fund established

by IC 36-7-11.4-4."

Page 74, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 96. IC 6-1.1-3-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 22. (a)** Except to the extent that it conflicts with a statute, 50 IAC 4.2 (as in effect January 1, 2001) is incorporated by reference into this section."

Page 75, delete lines 1 through 4.

Page 75, delete lines 19 through 23, begin a new paragraph and insert:

"(d) Civil taxing units and school corporations shall use the assessed value resulting from amended personal property tax returns filed under this section in determining budgets, rates, and levies for the 2003 calendar year and not the assessed value determined under 50 IAC 4.3."

Page 75, line 28, delete "is" and insert "are".

Page 76, between lines 16 and 17, begin a new paragraph and insert:

"(e) This subsection applies to the aggregate assessed value of dwellings in a taxing unit with respect to ad valorem property taxes and special assessments first due and payable in 2003, 2004, and 2005. The aggregate assessed value:

- (1) on which the determination under IC 6-1.1-17 of a taxing unit's tax rates for a year is based; and
- (2) subject to taxation by the taxing unit for the year;

includes only the phased in portion of the assessed value of dwellings for that year and not the actual assessed value of dwellings determined without regard to the phase in under this section."

Page 76, line 17, delete "(e)" and insert "(f)".

Page 84, delete lines 32 through 40, begin a new paragraph and insert:

"Sec. 1. Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in the rules of the department of local government finance, as codified at 50 IAC 2.3-1-2, a county property tax assessment board of appeals or the Indiana board shall consider all evidence relevant to the assessment of residential rental property regardless of whether the evidence was submitted to the township assessor before the assessment of the property."

Page 85, delete lines 9 through 14, begin a new paragraph and insert:

"SECTION 100. IC 6-1.1-8-44 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 44. (a)** Except to the extent that it conflicts with a statute, 50 IAC 5.1 (as in effect January 1, 2001) is incorporated by reference into this section."

Page 85, delete lines 29 through 33, begin a new paragraph and insert:

"(d) Civil taxing units and school corporations shall use the assessed value resulting from amended statements filed under this section in determining budgets, rates, and levies for the 2003 calendar year and not the assessed value determined under 50 IAC 5.2."

Page 85, line 38, delete "is" and insert "are".

Page 87, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-12.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]:

#### Chapter 12.2. Inventory Tax Phase Out

**Sec. 1.** As used in this chapter, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction established in section 3 of this chapter.

**Sec. 2.** As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.

**Sec. 3. (a) The property tax assessment against inventory located in Indiana shall be phased out over five (5) years. To phase out the property tax on inventory, a taxpayer is entitled to a deduction from the assessed value of inventory assessed in a year equal to a percentage of assessed valuation specified in subsection (b).**

**(b) The percentage used to determine the amount of the deduction allowed under subsection (a) is as follows:**

YEAR OF ASSESSMENT	PERCENTAGE
2002	20%
2003	40%
2004	60%
2005	80%
2006	100%

**Sec. 4. (a) A taxpayer is not required to file an application to qualify for the deduction established in section 3 of this chapter.**

**(b) The department of local government finance shall incorporate the deduction established under section 3 of this chapter in the personal property return form to be used each year for filing under IC 6-1.1-3-7, IC 6-1.1-3-7.5, IC 6-1.1-8-19, or IC 6-1.1-8-23 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor or, in the case of a public utility company, the department of local government finance, shall:**

- (1) determine the amount of the deduction; and**
- (2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the deduction to the inventory assessment.**

**(c) The deduction established under section 3 of this chapter must be applied to inventory assessment made by:**

- (1) an assessing official;**
- (2) a county property tax assessment board of appeals; or**
- (3) the department of local government finance."**

Page 100, delete line 42, begin a new paragraph and insert:

**"(d) The percentage of the credit referred to in subsection (b)(1) is as follows:**

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through <del>2003</del> 2002	10%
2003	17%
2004	24%
2005	30%
2006	34%
2007 and thereafter	<del>4%</del> 35%".

Page 101, delete lines 1 through 7.

Page 102, line 18, delete "22.5%" and insert **"20%"**.

Page 102, line 19, delete "27.5%." and insert **"17%."**

Page 102, line 27, delete "However, for the purposes of".

Page 102, delete lines 28 through 29.

Page 106, line 11, delete "Twenty-two and five-tenths percent (22.5%)" and insert **"Twenty percent (20%)"**.

Page 106, line 16, delete "Twenty-two and five-tenths percent (22.5%)" and insert **"Twenty percent (20%)"**.

Page 106, line 32, delete ")".

Page 106, line 37, after "inventory" insert **"or business personal property"**.

Page 107, line 4, delete "Twenty-two and five-tenths percent (22.5%)" and insert **"Twenty percent (20%)"**.

Page 107, line 9, delete "Twenty-two and five-tenths percent (22.5%)" and insert **"Twenty percent (20%)"**.

Page 107, delete lines 22 through 30.

Page 107, line 31, delete "(q)" and insert **"(p)"**.

Page 113, delete lines 18 through 42.

Page 114, delete lines 1 through 28.

Page 120, delete lines 11 through 14, begin a new line block indented and insert:

**"(8) (7) amounts received by a corporation or a division of a corporation owned, operated, or controlled by its member electric cooperatives as payment from the electric cooperatives for electrical energy to be resold to their member-owner**

**consumers;"**.

Page 120, line 33, delete "(7)" and insert **"(8)"**.

Page 120, line 35, delete "(8)" and insert **"(9)"**.

Page 120, line 36, delete "(9)" and insert **"(10)"**.

Page 120, line 39, delete "(10)" and insert **"(11)"**.

Page 120, line 41, delete "(11)" and insert **"(12)"**.

Page 121, line 3, delete "(12)" and insert **"(13)"**.

Page 121, line 8, delete "(13)" and insert **"(14)"**.

Page 121, line 14, delete "(14)" and insert **"(15)"**.

Page 121, line 21, delete "(15)" and insert **"(16)"**.

Page 121, line 30, delete "(16)" and insert **"(17)"**.

Page 122, line 4, delete "(17)" and insert **"(18)"**.

Page 123, line 10, delete "or".

Page 123, line 12, delete "." and insert **;"**.

Page 123, delete lines 22 through 28, begin a new paragraph and insert:

**"SECTION 125. IC 6-2.1-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. "Receipts", as applied to a taxpayer, means the gross income in cash, notes, credits, or other property that is received by the taxpayer or a third party including any limited liability company that is not itself a taxpayer (as defined in IC 6-2.1-1-16(27)); for the taxpayer's benefit."**

Page 130, line 9, delete "A" and insert **"Subject to section 3 of this chapter, a"**.

Page 130, between lines 11 and 12, begin a new paragraph and insert:

**"Sec. 3. A taxpayer is entitled to a deduction equal to the lesser of:**

- (1) the amount of the taxpayer's adjusted gross income in a taxable year; or**
- (2) fifty thousand dollars (\$50,000)."**

Page 130, line 20, delete "greater of the following, regardless of".

Page 130, delete lines 21 through 23.

Page 130, line 24, delete "(2) The".

Page 130, run in lines 20 through 24.

Page 130, line 26, after "(1.9%)" delete "." and insert **", regardless of the number of days in a taxable year that the taxpayer is actually doing business in Indiana."**

Page 130, line 32, delete "." and insert **", except the credits granted under IC 27."**

Page 146, line 20, delete "any" and insert **"one hundred percent (100%) of the"**.

Page 146, line 22, after "property" insert **"that is not agricultural property,"**.

Page 148, delete lines 15 through 17, begin a new line block indented and insert:

**"(17) Subtract an amount equal to the lesser of:"**.

Page 148, line 39, after "property" insert **"that is not agricultural property,"**.

Page 150, between lines 10 and 11, begin a new paragraph and insert:

**"SECTION 154. IC 6-3-1-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.7. As used in section 3.5 of this chapter, "agricultural property" means:**

- (1) property used or held on a farm in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, or management of livestock bees, poultry, or furbearing animals and wildlife; and**
- (2) agricultural or horticultural commodities held on a farm for resale or the further production of agricultural or horticultural commodities, including grain and livestock."**

Page 161, delete lines 16 through 25, begin a new paragraph and insert:

**"SECTION 164. IC 6-3-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. (a) Except as provided in subsection (b), prize money received from a winning lottery ticket purchased under IC 4-30 is exempt from the adjusted**

gross income tax and supplemental net income tax imposed by this article.

**(b) Prize money that is:**

- (1) received from a winning lottery ticket purchased under IC 4-30; and
- (2) equal to or greater than one thousand two hundred dollars (\$1,200);

is not exempt from the adjusted gross income tax imposed by this article."

Page 167, line 17, after "consecutively." insert "The adjusted gross income tax due on prize money received from a winning lottery ticket purchased under IC 4-30 shall be deducted and retained, even if federal withholding is not required. The amount deducted from prized money shall be remitted to the department in the manner and under the schedule prescribed by the department."

Page 182, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 205. IC 6-3.1-23.8-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1.7. As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.

SECTION 206. IC 6-3.1-23.8-4, AS ADDED BY P.L.291-2001, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) ~~IC 6-2.1 (gross income tax);~~
- (2) (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- (3) ~~IC 6-3-8 (supplemental net income tax);~~
- (4) (2) IC 6-5.5 (financial institutions tax); and
- (5) (3) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

SECTION 207. IC 6-3.1-23.8-6, AS ADDED BY P.L.291-2001, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) Except as provided in this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year for the net ad valorem property taxes paid by the taxpayer in the taxable year on business personal property inventory with an assessed value equal to the lesser of:

- (1) the assessed value of the person's ~~business personal property; inventory; or~~
- (2) an assessed value of thirty-seven thousand five hundred dollars (\$37,500).

A taxpayer is entitled to only one (1) credit under this chapter each taxable year.

(b) An affiliated group that files a consolidated return under ~~IC 6-2.1-5-5 IC 6-3-4-14~~ is entitled to only one (1) credit under this chapter each taxable year on that consolidated return. A taxpayer that is a partnership, joint venture, or pool is entitled to only one (1) credit under this chapter each taxable year, regardless of the number of partners or participants in the organization.

(c) A utility company is not entitled to claim the credit under this chapter."

Page 184, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 208. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

**Chapter 25. Headquarters Relocation Tax Credit**

Sec. 1. As used in this chapter, "corporate headquarters" means the building or buildings where:

- (1) the principal offices of the principal executive officers of an eligible business are located; and
- (2) at least two hundred fifty (250) employees are employed.

Sec. 2. As used in this chapter, "eligible business" means a business that:

- (1) is engaged in either interstate or intrastate commerce;

(2) maintains a corporate headquarters in a state other than Indiana as of January 1, 2003;

(3) had annual worldwide revenues of at least twenty-five billion dollars (\$25,000,000,000) for the year immediately preceding the business's application for a tax credit under section 12 of this chapter; and

(4) is prepared to commit contractually to relocating its corporate headquarters to Indiana.

Sec. 3. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 4. As used in this chapter, "qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside Indiana to a location in Indiana.

Sec. 5. As used in this chapter, "relocation costs" means the reasonable and necessary expenses incurred by an eligible business for a qualifying project. The term includes:

- (1) moving costs and related expenses;
- (2) the purchase of new or replacement equipment;
- (3) capital investment costs; and
- (4) property assembly and development costs, including:
  - (A) the purchase, lease, or construction of buildings and land;
  - (B) infrastructure improvements; and
  - (C) site development costs.

The term does not include any costs that do not directly result from the relocation of the business to a location in Indiana.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (the gross income tax);
- (2) IC 6-2.5 (state gross retail and use tax);
- (3) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (4) IC 6-5.5 (the financial institutions tax); and
- (5) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. A taxpayer that:

- (1) is an eligible business;
- (2) completes a qualifying project; and
- (3) incurs relocation costs;

is entitled to a credit against the person's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

Sec. 9. (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:

- (1) fifty percent (50%); multiplied by
- (2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

Sec. 10. If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

**Sec. 11. The total value of a tax credit under this chapter shall be divided equally over ten (10) years, beginning with the year in which the credit is granted. If the amount of credit provided under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to subsequent taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.**

**Sec. 12. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of the taxpayer's relocation costs and all information that the department determines is necessary for the calculation of the credit provided by this chapter.**

**Sec. 13. In determining whether an expense of the eligible business directly resulted from the relocation of the business, the department shall consider whether the expense would likely have been incurred by the eligible business if the business had not relocated from its original location."**

Page 200, delete lines 25 through 29.

Page 204, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 218. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 201. A license tax of ~~fifteen~~ **eighteen** cents (~~\$0.15~~) (**\$0.18**) per gallon is imposed on the use of all gasoline used in Indiana, except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and collected from the purchaser so that the ultimate consumer bears the burden of the tax.

SECTION 219. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 801.5. (a) The administrator shall transfer ~~one-fifteenth (1/15)~~ **one cent (\$0.01)** of the taxes that are collected **on each gallon of gasoline** under this chapter to the state highway road construction and improvement fund.

(b) **After the transfer required by subsection (a), the administrator shall transfer:**

**(1) the next two million five hundred thousand dollars (\$2,500,000) of the taxes that are collected under this chapter and received after December 31, 2002, and before July 1, 2003; and**

**(2) the next five million dollars (\$5,000,000) of the taxes that are collected under this chapter and received during the period beginning July 1 in 2003 and each year thereafter and ending June 30 of the immediately succeeding year;**

**to the public mass transportation fund established by IC 8-23-3-8.**

(c) ~~After the transfer transfers required by subsection subsections (a) and (b), the administrator shall transfer the next twenty-five million dollars (\$25,000,000) of the taxes that are collected under this chapter and received during a period beginning July 1 of a year and ending June 30 of the immediately succeeding year to the auditor of state for distribution in the following manner:~~

**(1) thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4;**

**(2) thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1; and**  
**(3) forty percent (40%) to the Indiana department of transportation.**

~~(c)~~ **(d)** The auditor of state shall hold all amounts of collections received under subsection ~~(b)~~ **(c)** from the administrator that are made during a particular month and shall distribute all of those amounts pursuant to subsection ~~(b)~~ **(c)** on the fifth day of the immediately succeeding month.

~~(d)~~ **(e)** All amounts distributed under subsection ~~(b)~~ **(c)** may only be used for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1."

Page 207, delete lines 24 through 26, begin a new line block indented and insert:

**"(3) Fourteen thirty-firsts (14/31) Eighty-four percent (84%) of the money shall be deposited in the state general fund."**

Page 207, delete lines 30 through 32.

Page 222, delete lines 39 through 42.

Page 224, delete lines 4 through 12.

Page 226, delete lines 39 through 42.

Page 227, delete lines 1 through 30.

Page 230, line 7, reset in roman "(i)".

Page 230, line 24, reset in roman "(i)".

Page 239, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 266. IC 12-24-2-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. Notwithstanding any other law, an individual shall be admitted to the Evansville State Psychiatric Treatment Center for Children if the decision to admit the individual is approved by:**

**(1) the individual's gatekeeper; and**

**(2) the Evansville State Psychiatric Treatment Center for Children's admission committee, which must consist of at least the following individuals:**

**(A) The superintendent.**

**(B) The medical director.**

**(C) The clinical director.**

**(D) The director of nursing."**

Page 253, delete lines 28 through 37.

Page 256, delete lines 14 through 42, begin a new paragraph and insert:

"SECTION 309. IC 20-10.1-16-4, AS AMENDED BY P.L.146-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) The board shall:

**(1) authorize the development and implementation of the Indiana statewide testing for educational progress program; and**  
**(2) determine the date on which the statewide testing is administered in each school corporation.**

**(b) The state superintendent is responsible for the overall development, implementation, and monitoring of the ISTEP program.**

**(c) The department shall prepare detailed design specifications for the ISTEP program that must do the following:**

**(1) Take into account the academic standards specified in section 6(a)(1) and 6(a)(2) of this chapter.**

**(2) Include testing of students' higher level cognitive thinking in each subject area tested.**

SECTION 311. IC 20-10.1-16-7, AS AMENDED BY P.L.146-1999, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The scoring of student responses under an ISTEP test:

**(1) must measure student achievement relative to the academic standards established by the Indiana state board of education; specified in section 6(a)(1) and 6(a)(2) of this chapter;**  
**(2) must adhere to scoring rubrics and anchor papers; and**  
**(3) may not reflect the scorer's judgment of the values expressed by a student in the student's responses.**

**(b) This subsection applies to reports of scores in mathematics and English language arts. Reports must:**

**(1) provide scores indicating student performance relative to each of the academic standards:**

**(A) established by the Indiana state board of education; and**  
**(B) assessed by the test;**

**(2) be related to passing scores established by the board; and**  
**(3) contain the information listed in subdivisions (1) and (2) for**

the following levels:

- (A) Individual student.
- (B) Classroom.
- (C) School.
- (D) School corporation.
- (E) The state of Indiana.

(c) Reports of student scores must be:

- (1) returned to the school corporation that administered the test; and
- (2) accompanied by a guide for interpreting scores.

(d) After reports of student scores are returned to a school corporation, the school corporation shall promptly do the following:

- (1) Give each student and the student's parent or guardian the student's ISTEP scores.
- (2) Make available for inspection to each student and the student's parent or guardian the following:
  - (A) A copy of the essay questions and prompts used in assessing the student.
  - (B) A copy of the student's scored essays.
  - (C) A copy of the anchor papers and scoring rubrics used to score the student's essays.

A student's parent or guardian may request a rescoring of a student's responses to a test, including a student's essay. No individual's ISTEP scores may be disclosed to the public.

(e) After a school receives score reports, the school shall schedule a parent/teacher conference with the following:

- (1) A parent who requests a parent/teacher conference on the scores of the parent's child.
- (2) The parent of each student who does not receive a passing score on the test. The conference must include a discussion of:
  - (A) the student's test scores, including subscores on academic standards; and
  - (B) the proposed remediation plan for the student.

(f) The aggregate results of the ISTEP tests shall be compiled by each school corporation in a manner that will permit evaluation of learning progress within the school corporation. The school corporation shall make the compilation of test results available for public inspection and shall provide that compilation to the parent or guardian of each student tested under the ISTEP program.

(g) The department shall develop a format for the publication by school corporations in an annual performance report required by statute of appropriate academic information required by the department, including ISTEP scores, in a manner that a reasonable person can easily read and understand.

(h) The school corporation shall provide the ISTEP program test results on a school by school basis to the department upon request.

(i) Upon request by the commission for higher education, the department shall provide ISTEP program test results to the commission for those students for whom the commission under 20 U.S.C. 1232(g) has obtained consent.

SECTION 312. IC 20-10.1-17-3, AS AMENDED BY P.L.146-1999, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The board shall adopt clear, concise, and jargon free state academic standards that are comparable to national and international academic standards. These academic standards must be adopted for each grade level from kindergarten through grade 12 for the following subjects:

- (1) English/language arts.
- (2) Mathematics.
- (3) Social studies.
- (4) Science.

For grade levels tested under the ISTEP program, the academic standards specified in subdivisions (1) and (2) must be based in part upon the results of the ISTEP program.

(b) The department shall do the following:

- (1) Distribute the academic standards established under this section to each school corporation for distribution by the school corporation to the parent of each student in the school corporation.
- (2) Survey parents of students, members of the business community, representatives of higher education, and educators on the importance and applicability of academic standards.

(c) ISTEP program testing shall be administered in the following subject areas:

- (1) English/language arts.
- (2) Mathematics.
- ~~(3) Beginning in school year 2002-2003, science, in grade levels determined by the board.~~
- ~~(4) Beginning in school year 2003-2004, social studies, in grade levels determined by the board."~~

Page 278, delete lines 4 through 7, begin a new line block indented and insert:

**"(6) An individual appointed by the town council of a town described in subsection (a)(1).**

**(7) An individual appointed by the town council of a town described in subsection (a)(2)."**

Page 281, delete lines 16 through 27, begin a new paragraph and insert:

#### **"Chapter 11.4. Community Trust Fund**

**Sec. 1. This section applies to a historic district established by IC 36-7-11-4.5.**

**Sec. 2. As used in this chapter, "fund" refers to the community trust fund established by section 4 of this chapter.**

**Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission described in IC 36-7-11-4.5.**

**Sec. 4. (a) The community trust fund is established."**

Page 316, between lines 35 and 36, begin a new paragraph and insert:

**"SECTION 350. IC 36-7-32 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:**

#### **Chapter 32. Certified Technology Parks**

**Sec. 1. This chapter applies to all units having a department of redevelopment under IC 36-7-14 or a department of metropolitan development as the redevelopment commission of a consolidated city under IC 36-7-15.1.**

**Sec. 2. The definitions set forth in IC 36-7-14 and IC 36-7-15.1 apply throughout this chapter.**

**Sec. 3. As used in this chapter, the following terms have the meanings set forth in IC 6-1-1-1:**

- (1) Assessment date.
- (2) Assessed value or assessed valuation.
- (3) Taxing district.
- (4) Taxing unit.

**Sec. 4. As used in this chapter, "base assessed value" means:**

- (1) the net assessed value of all the taxable property located in a certified technology park as finally determined for the assessment date immediately preceding the effective date of the allocation provision of a resolution adopted under section 15 of this chapter; plus
- (2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

**Sec. 5. As used in this chapter, "business incubator" means real and personal property that:**

- (1) is located in a certified technology park;
- (2) is subject to an agreement under section 12 of this chapter; and
- (3) is developed for the primary purpose of attracting one (1) or more owners or tenants who will engage in high technology activities.

**Sec. 6. As used in this chapter, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a certified technology park during the full state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter.**

**Sec. 7. As used in this chapter, "high technology activity" means one (1) or more of the following:**

- (1) Advanced computing, which is any technology used in



the design and development of any of the following:

- (A) Computer hardware and software.
- (B) Data communications.
- (C) Information technologies.
- (2) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.
- (3) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning or stem cell research with embryonic tissue.
- (4) Electronic device technology, which is any technology that involves:
  - (A) microelectronics, semiconductors, or electronic equipment;
  - (B) instrumentation, radio frequency, microwave, and millimeter electronics;
  - (C) optical and optic electrical devices; or
  - (D) data and digital communications and imaging devices.
- (5) Engineering or laboratory testing related to the development of a product.
- (6) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.
- (7) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.
- (8) Product research and development.
- (9) Advanced vehicles technology, which is any technology that involves:
  - (A) electric vehicles, hybrid vehicles, or alternative fuel vehicles; or
  - (B) components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles.

Sec. 8. As used in this chapter, "income tax base period amount" means the aggregate amount of the following taxes paid by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter:

- (1) The adjusted gross income tax.
- (2) The county adjusted gross income tax.
- (3) The county option income tax.
- (4) The county economic development income tax.

Sec. 9. As used in this chapter, subject to the approval of the department of commerce under an agreement entered into under section 12 of this chapter, "public facilities" includes the following:

- (1) A street, road, bridge, storm water or sanitary sewer, sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, retention basin, pretreatment facility, waterway, waterline, water storage facility, rail line, electric, gas, telephone or other communications, or any other type of utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement. Except for rail lines, utility lines, or pipelines, the structures or improvements described in this subdivision must be either owned or used by a public agency, functionally connected to similar or supporting facilities owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally,

whether or not used by a single business entity. Any road, street, or bridge must be continuously open to public access. A public facility must be located on public property or in a public, utility, or transportation easement or right-of-way.

(2) Land and other assets that are or may become eligible for depreciation for federal income tax purposes for a business incubator located in a certified technology park.

(3) Land and other assets that, if privately owned, would be eligible for depreciation for federal income tax purposes for laboratory facilities, research and development facilities, conference facilities, teleconference facilities, testing facilities, training facilities, or quality control facilities:

- (A) that are or that support property whose primary purpose and use is or will be for a high technology activity;
- (B) that are owned by a public entity; and
- (C) that are located within a certified technology park.

Sec. 10. A unit may apply to the department of commerce for designation of all or part of the territory within the jurisdiction of the unit's redevelopment commission as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The application must be in a form specified by the department and must include information the department determines necessary to make the determinations required under section 11 of this chapter.

Sec. 11. (a) After receipt of an application under section 10 of this chapter, and subject to subsection (b), the department of commerce may designate a certified technology park if the department determines that the application demonstrates a firm commitment from at least one (1) business engaged in a high technology activity creating a significant number of jobs and satisfies one (1) or more of the following additional criteria:

(1) A demonstration of significant support from an institution of higher education or a private research based institute located within, or in the vicinity of, the proposed certified technology park, as evidenced by the following criteria:

- (A) Grants of preferences for access to and commercialization of intellectual property.
- (B) Access to laboratory and other facilities owned by or under the control of the institution of higher education or private research based institute.
- (C) Donations of services.
- (D) Access to telecommunications facilities and other infrastructure.
- (E) Financial commitments.
- (F) Access to faculty, staff, and students.
- (G) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.
- (H) Other criteria considered appropriate by the department.

(2) A demonstration of a significant commitment by the institution of higher education or private research based institute to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(3) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(4) The existence of or proposed development of a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:

- (A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.
- (B) A business plan exhibiting the economic utilization



and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(A) A commitment to new business formation.

(B) The clustering of businesses, technology, and research.

(C) The opportunity for and costs of development of properties under common ownership or control.

(D) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(E) Assumptions of costs and revenues related to the development of the proposed certified technology park.

(6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.

(b) The department of commerce may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park.

(c) There may be not more than three (3) certified technology parks designated by the department.

Sec. 12. A redevelopment commission and the legislative body of the unit that established the redevelopment commission may enter into an agreement with the department of commerce establishing the terms and conditions governing a certified technology park designated under section 11 of this chapter. Upon designation of the certified technology park under the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement does not result in the termination or rescission of the designation of the area as a certified technology park. The agreement must include the following provisions:

(1) A description of the area to be included within the certified technology park.

(2) Covenants and restrictions, if any, upon all or a part of the properties contained within the certified technology park and terms of enforcement of any covenants or restrictions.

(3) The financial commitments of any party to the agreement and of any owner or developer of property within the certified technology park.

(4) The terms of any commitment required from an institution of higher education or private research based institute for support of the operations and activities within the certified technology park.

(5) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(6) The public facilities to be developed for the certified technology park and the costs of those public facilities, as approved by the department of commerce.

Sec. 13. (a) If the department of commerce determines that a sale price or rental value at below market rate will assist in increasing employment or private investment in a certified technology park, the redevelopment commission and the legislative body of the unit may determine the sale price or rental value for public facilities owned or developed by the redevelopment commission and the unit in the certified

technology park at below market rate.

(b) If public facilities developed under an agreement entered into under this chapter are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure that the public facilities are used for high technology activities or as a business incubator. Legal and equitable remedies and rights may include penalties and actual or liquidated damages.

Sec. 14. The department of commerce shall market the certified technology park. The department and a redevelopment commission may contract with each other or any third party for these marketing services.

Sec. 15. (a) Subject to the approval of the legislative body of the unit that established the redevelopment commission, the redevelopment commission may adopt a resolution designating a certified technology park as an allocation area for purposes of the allocation and distribution of property taxes.

(b) After adoption of the resolution under subsection (a), the redevelopment commission shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit that has authority to levy property taxes in the geographic area where the certified technology park is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the certified technology park, including the following:

(i) The estimated economic benefits and costs incurred by the certified technology park, as measured by increased employment and anticipated growth of real property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the certified technology park and must state that written remonstrances may be filed with the redevelopment commission until the time designated for the hearing. The notice must also name the place, date, and time when the redevelopment commission will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed allocation area and will determine the public utility and benefit of the proposed allocation area. The commission shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. All persons affected in any manner by the hearing, including all taxpayers within the taxing district of the redevelopment commission, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the redevelopment commission affecting the allocation area if the redevelopment commission gives the notice required by this section.

(c) At the hearing, which may be recessed and reconvened periodically, the redevelopment commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the redevelopment commission shall take final action determining the public utility and benefit of the proposed allocation area confirming, modifying and confirming, or rescinding the resolution. The final action taken by the redevelopment commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 16 of this chapter.

Sec. 16. (a) A person who files a written remonstrance with the redevelopment commission under section 15 of this chapter and who is aggrieved by the final action taken may, within ten (10) days after that final action, file with the office of the clerk of the circuit or superior court of the county a copy of the redevelopment commission's resolution and the person's remonstrance against the resolution, together with the person's bond as provided by IC 34-13-5-7.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of filing of the appeal. The court shall decide the appeal based on the record and evidence before the redevelopment commission, not by trial de novo, and may confirm the final action of the redevelopment commission or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 17. (a) An allocation provision adopted under section 15 of this chapter must:

- (1) apply to the entire certified technology park; and
- (2) require that any property tax on taxable property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the certified technology park be allocated and distributed as provided in subsections (b) and (c).

(b) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

- (1) the assessed value of the taxable property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(c) Except as provided in subsection (d), all the property tax proceeds that exceed those described in subsection (b) shall be allocated to the redevelopment commission for the certified technology park and, when collected, paid into the certified technology park fund established under section 23 of this chapter.

(d) Before July 15 of each year, the redevelopment commission shall do the following:

- (1) Determine the amount, if any, by which the property tax proceeds to be deposited in the certified technology park fund will exceed the amount necessary for the purposes described in section 23 of this chapter.
- (2) Notify the county auditor of the amount, if any, of excess tax proceeds that the redevelopment commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (c). The redevelopment commission may not authorize an allocation of property tax proceeds under this subdivision if to do so would endanger the interests of the holders of bonds described in section 24 of this chapter.

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the certified technology park effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the certified technology park, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the taxable property as valued without regard to this section; or
- (2) the base assessed value.

Sec. 18. (a) A redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing

district.

STEP TWO: Divide:

- (A) that part of the county's total eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

- (1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and
- (2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under IC 6-1.1-21-5.

Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.

Sec. 20. (a) After entering into an agreement under section 12 of this chapter, the redevelopment commission shall send to the department of state revenue:

- (1) a certified copy of the designation of the certified technology park under section 11 of this chapter;
- (2) a certified copy of the agreement entered into under section 12 of this chapter; and
- (3) a complete list of the employers in the certified technology park and the street names and the range of street numbers of each street in the certified technology park.

The redevelopment commission shall update the list provided under subdivision (3) before July 1 of each year.

(b) Not later than sixty (60) days after receiving a copy of the designation of the certified technology park, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

Sec. 21. Before the first business day in October of each year, the department of state revenue shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each certified technology park designated under this chapter.

Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for a certified technology park under subsection (a):

- (1) The aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the certified technology park, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the certified technology park.
- (2) The aggregate amount of the following taxes paid by employees employed in the certified technology park with respect to wages earned for work in the certified technology park, until the amount deposited equals the income tax incremental amount:

- (A) The adjusted gross income tax.
- (B) The county adjusted gross income tax.
- (C) The county option income tax.
- (D) The county economic development income tax.

(c) Not more than an aggregate total of five million dollars (\$5,000,000) may be deposited in a particular incremental tax financing fund for a certified technology park over the life of the certified technology park.

(d) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a certified technology park shall be distributed to the redevelopment commission for deposit in the certified technology park fund established under section 23 of this chapter.

Sec. 23. (a) Each redevelopment commission that establishes a certified technology park under this chapter shall establish a certified technology park fund to receive:

- (1) property tax proceeds allocated under section 17 of this chapter; and
- (2) money distributed to the redevelopment commission under section 22 of this chapter.

(b) Money deposited in the certified technology park fund may be used by the redevelopment commission only for one (1) or more of the following purposes.

- (1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities.
- (2) Operation of public facilities described in section 9(2) of this chapter.
- (3) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and that are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the certified technology park.
- (4) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (3).
- (5) Payment of the principal of and interest on bonds issued by the unit to pay for public facilities in or serving the certified technology park.
- (6) Payment of premiums on the redemption before maturity of bonds described in subdivision (3).
- (7) Payment of amounts due under leases payable from money deposited in the fund.
- (8) Reimbursement of the unit for expenditures made by it for public facilities in or serving the certified technology park.
- (9) Payment of expenses incurred by the redevelopment commission for public facilities that are in the certified technology park or serving the certified technology park.

(c) The certified technology park fund may not be used for operating expenses of the redevelopment commission.

Sec. 24. (a) A redevelopment commission may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable solely from:

- (1) property tax proceeds allocated to the certified technology park fund under section 17 of this chapter;
- (2) money distributed to the redevelopment commission

under section 22 of this chapter;

- (3) other funds available to the redevelopment commission; or
- (4) a combination of the methods stated in subdivisions (1) through (3).

(c) The bonds shall be authorized by a resolution of the redevelopment commission.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within fifty (50) years.

(f) The redevelopment commission shall sell the bonds at public or private sale upon such terms as determined by the redevelopment commission.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a certified technology park, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

- (1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction and for a period thereafter determined by the redevelopment commission, but not to exceed five (5) years;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

Sec. 25. The establishment of high technology activities and public facilities within a technology park serves a public purpose and is of benefit to the general welfare of a unit by encouraging investment, job creation and retention, and economic growth and diversity."

Page 321, line 20, delete "IC 12-15-5-6;"

Page 321, line 24, delete "IC 12-17.6-4-10;"

Page 321, line 30, after "IC 6-2.1-3-3.5;" insert "IC 6-2.1-3-4;"

Page 321, line 34, delete "IC 6-2.1-3-33;"

Page 321, line 37, delete "IC 6-3.1-23.8;"

Page 322, line 3, after "as" insert "effective after June 30, 2002, and as".

Page 322, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 364. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or rule, the appropriation made in P.L.291-2001, SECTION 7, FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION, AGING AND DISABILITY SERVICES, C.H.O.I.C.E IN-HOME SERVICES, Total Operating Expense for FY 2001-2002, is automatically allotted in an amount representing a prorated share of the total FY 2001-2002 appropriation for the amount of time remaining in FY 2001-2002.

(b) The money allotted in this SECTION must be used for the purposes provided for in P.L.291-2001, SECTION 7, and the total amount of money allotted under subsection (a) of this SECTION must be spent by the family and social services administration in the time period beginning with the effective date of this SECTION and ending June 30, 2002.

(c) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or regulation, the appropriation made in P.L.291-2001, SECTION 7, FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION, AGING AND DISABILITY SERVICES, C.H.O.I.C.E. IN-HOME SERVICES, Total Operating Expense for FY 2002-2003, is automatically allotted on a quarterly basis for the fiscal year beginning July 1, 2002, and ending June 30, 2003.

(d) The money allotted in this SECTION must be used for the purposes provided for in P.L.291-2001, SECTION 7, and the total amount of money allotted under subsection (c) must be spent by the family and social services administration in the fiscal year beginning July 1, 2002, and ending June 30, 2003.

(e) This SECTION expires June 30, 2003."

Page 324, delete lines 7 through 34, begin a new paragraph and insert:

"SECTION 367. [EFFECTIVE DECEMBER 1, 2002] (a) For purposes of:

- (1) IC 6-2.5-2-2, as amended by this act;
- (2) IC 6-2.5-6-7, as amended by this act;
- (3) IC 6-2.5-6-8, as amended by this act;
- (4) IC 6-2.5-6-10, as amended by this act;
- (5) IC 6-2.5-7-3, as amended by this act; and
- (6) IC 6-2.5-7-5, as amended by this act;

all transactions, except the furnishing of public utility, telephone, or cable television services and commodities by retail merchants described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11 shall be considered as having occurred after November 30, 2002, to the extent that delivery of the property or services constituting selling at retail is made after that date to the purchaser or to the place of delivery designated by the purchaser. However, a transaction shall be considered as having occurred before December 1, 2002, to the extent that the agreement of the parties to the transaction was entered into before December 1, 2002, and payment for the property or services furnished in the transaction is made before December 1, 2002, notwithstanding the delivery of the property or services after November 30, 2002.

(b) With respect to a transaction constituting the furnishing of public utility, telephone, or cable television services and commodities, only transactions for which the charges are collected upon original statements and billings dated after December 31, 2002, shall be considered as having occurred after November 30, 2002.

(c) This SECTION expires July 1, 2004."

Page 324, line 40, delete "July 1, 2002." and insert "January 1, 2003."

Page 327, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 371. [EFFECTIVE JULY 1, 2002] (a) This SECTION applies to a taxpayer that:

- (1) was subject to the gross income tax under IC 6-2.1 before January 1, 2003;
- (2) has a taxable year that begins before January 1, 2003, and ends after December 31, 2002; and
- (3) is subject to the gross income tax under IC 6-2.1 after December 31, 2002.

(b) Gross receipts received before January 1, 2003, are taxable at the rate established under IC 6-2.1-2-3 (as effective December 31, 2002) for the type of receipts received by the taxpayer.

(c) Gross receipts received after December 31, 2002, are taxable at the rate of one and six tenths percent (1.6%)."

Page 327, line 14, delete "2004," and insert "2003,".

Page 327, line 20, delete "2003," and insert "2002,".

Page 327, line 39, after "deductions" insert "and credits".

Page 329, delete lines 28 through 30.

Page 330, delete lines 20 through 32, begin a new paragraph and insert:

"(d) Money distributed under this SECTION may be used for any school purpose.

(e) This SECTION expires July 1, 2003.

SECTION 384. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or

rule, any amounts not allotted by the effective date of this SECTION from the amounts appropriated in P.L.291-2001, SECTION 4, FOR THE DEPARTMENT OF EDUCATION, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, for the following line item appropriations are automatically allotted to the department of education for expenditure and distribution:

	FY 2001-2002 Appropriation
<b>DISTRIBUTION FOR TRANSPORTATION</b>	
Total Operating Expense	25,690,268
<b>TEXTBOOK REIMBURSEMENT</b>	
Total Operating Expense	17,800,000
<b>DISTRESSED SCHOOLS DISTRIBUTION</b>	
Total Operating Expense	50,000
<b>DISTRIBUTION FOR SUMMER SCHOOL</b>	
Other Operating Expense	21,600,000
<b>ALTERNATIVE SCHOOLS</b>	
Total Operating Expense	7,500,000
<b>GIFTED AND TALENTED EDUCATION PROGRAM</b>	
Personal Services	202,645
Other Operating Expense	6,656,484
<b>EARLY INTERVENTION PROGRAM</b>	
Personal Services	10,000
Other Operating Expense	3,990,000
<b>READING DIAGNOSTIC ASSESSMENT</b>	
Total Operating Expense	2,500,000
<b>FULL DAY KINDERGARTEN</b>	
Total Operating Expense	10,000,000
<b>PERFORMANCE BASED ASSESSMENT AND AWARDS</b>	
Personal Services	48,153
Other Operating Expense	3,202,374
<b>NON-ENGLISH SPEAKING PROGRAM</b>	
Other Operating Expense	700,000
<b>EDUCATIONAL TECHNOLOGY PROGRAM AND FUND (INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)</b>	
Total Operating Expense	4,000,000
<b>SCHOOL LIBRARY PRINTED MATERIALS GRANTS</b>	
Total Operating Expense	3,000,000
<b>JAPANESE/CHINESE INITIATIVES</b>	
Total Operating Expense	236,500
<b>PSAT PROGRAM</b>	
Other Operating Expense	800,000
<b>TRANSPORTATION FOR SPECIAL AND VOCATIONAL EDUCATION</b>	
Total Operating Expense	9,570,000
<b>TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)</b>	
Total Operating Expense	215,000
<b>RILEY HOSPITAL</b>	
Total Operating Expense	30,000
<b>TECH PREP DISTRIBUTION</b>	
Other Operating Expense	1,000,000
<b>PRINCIPAL LEADERSHIP ACADEMY</b>	
Personal Services	326,637
Other Operating Expense	187,192
<b>PROFESSIONAL DEVELOPMENT DISTRIBUTION</b>	
Other Operating Expense	500,000
<b>PROJECT SET</b>	
Other Operating Expense	91,065
<b>ACADEMIC COMPETITION</b>	
Total Operating Expense	56,090
<b>INNOVATIVE SCHOOL IMPROVEMENTS</b>	
Personal Services	100,033
Other Operating Expense	719,557
<b>EDUCATION SERVICE CENTERS</b>	
Total Operating Expense	2,025,664
<b>COMPUTER LEARNING AND TRAINING</b>	
Personal Services	325,653

Other Operating Expense	1,365,096
GEOGRAPHY EDUCATION TRAINING	
Total Operating Expense	49,990
INDIANA COUNCIL FOR ECONOMIC EDUCATION (PERSONAL FINANCE PROGRAM)	
Total Operating Expense	30,000
RESEARCH AND DEVELOPMENT PROGRAMS	
Personal Services	88,499
Other Operating Expense	303,021
TESTING/REMEDICATION	
Other Operating Expense	33,775,681
ADVANCED PLACEMENT PROGRAM	
Other Operating Expense	900,000
GED-ON-TV PROGRAM	
Other Operating Expense	270,000
PUBLIC TELEVISION DISTRIBUTION	
Total Operating Expense	2,773,603
(b) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or rule, the amounts appropriated in P.L.291-2001, SECTION 4, FOR THE DEPARTMENT OF EDUCATION, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, for the following line item appropriations are automatically allotted to the department of education for expenditure and distribution in accordance with the usual expenditure and distribution schedules used by the department of education:	
FY 2002-2003	
Appropriation	
DISTRIBUTION FOR TRANSPORTATION	
Total Operating Expense	25,801,954
TEXTBOOK REIMBURSEMENT	
Total Operating Expense	19,900,000
DISTRESSED SCHOOLS DISTRIBUTION	
Total Operating Expense	50,000
DISTRIBUTION FOR SUMMER SCHOOL	
Other Operating Expense	21,600,000
ALTERNATIVE SCHOOLS	
Total Operating Expense	7,500,000
GIFTED AND TALENTED EDUCATION PROGRAM	
Personal Services	202,645
Other Operating Expense	6,656,484
EARLY INTERVENTION PROGRAM	
Personal Services	10,000
Other Operating Expense	3,990,000
READING DIAGNOSTIC ASSESSMENT	
Total Operating Expense	2,500,000
FULL DAY KINDERGARTEN	
Total Operating Expense	10,000,000
PERFORMANCE BASED ASSESSMENT AND AWARDS	
Personal Services	48,153
Other Operating Expense	3,202,374
NON-ENGLISH SPEAKING PROGRAM	
Other Operating Expense	700,000
EDUCATIONAL TECHNOLOGY PROGRAM AND FUND (INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)	
Total Operating Expense	4,000,000
SCHOOL LIBRARY PRINTED MATERIALS GRANTS	
Total Operating Expense	3,000,000
JAPANESE/CHINESE INITIATIVES	
Total Operating Expense	236,500
PSAT PROGRAM	
Other Operating Expense	800,000
TRANSPORTATION FOR SPECIAL AND VOCATIONAL EDUCATION	
Total Operating Expense	9,570,000
TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)	
Total Operating Expense	215,000

RILEY HOSPITAL	
Total Operating Expense	30,000
TECH PREP DISTRIBUTION	
Other Operating Expense	1,000,000
PRINCIPAL LEADERSHIP ACADEMY	
Personal Services	326,637
Other Operating Expense	187,192
PROFESSIONAL DEVELOPMENT DISTRIBUTION	
Other Operating Expense	20,500,000
PROJECT SET	
Other Operating Expense	91,065
ACADEMIC COMPETITION	
Total Operating Expense	56,090
INNOVATIVE SCHOOL IMPROVEMENTS	
Personal Services	100,033
Other Operating Expense	719,557
EDUCATION SERVICE CENTERS	
Total Operating Expense	2,025,044
COMPUTER LEARNING AND TRAINING	
Personal Services	325,653
Other Operating Expense	1,365,096
GEOGRAPHY EDUCATION TRAINING	
Total Operating Expense	49,990
INDIANA COUNCIL FOR ECONOMIC EDUCATION (PERSONAL FINANCE PROGRAM)	
Total Operating Expense	30,000
RESEARCH AND DEVELOPMENT PROGRAMS	
Personal Services	88,499
Other Operating Expense	303,021
ADVANCED PLACEMENT PROGRAM	
Other Operating Expense	1,000,000
GED-ON-TV PROGRAM	
Other Operating Expense	270,000
PUBLIC TELEVISION DISTRIBUTION	
Total Operating Expense	2,773,603

(c) The dollar amounts listed in subsection (a) and subsection (b) are not new appropriations but are a restatement of the dollar amounts appropriated in P.L.291-2001, SECTION 4.

(d) This SECTION expires July 1, 2003."

Page 331, line 3, after "allotted" insert "in conformity with the plan reviewed by the budget committee".

Page 331, delete lines 9 through 14.

Page 331, line 15, delete "(f)" and insert "(e)".

Page 331, line 20, after "allotted" insert "immediately after the budget committee has reviewed the projects".

Page 331, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 387. [EFFECTIVE JULY 1, 2002] (a) Notwithstanding P.L.291-2001, SECTION 1, for purposes of this SECTION, "state agency" does not include:

(1) the judicial department of the state; or

(2) the legislative department of the state.

(b) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or rule, the appropriation made in P.L.291-2001, SECTION 15, FOR THE BUDGET AGENCY, PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND, Total Operating Expense, for the 2001-2003 biennium, is automatically allotted in amounts sufficient to provide a two percent (2%) pay increase for all employees of state agencies on July 1, 2002.

(c) IC 6-3-2-14 applies to prize money received after June 30, 2002, regardless of when the taxpayer's taxable year begins.

(d) Notwithstanding IC 6-3-7-3, as amended by this act, money attributable to adjusted gross income tax raised as a result of the amendment of IC 6-3-2-14 by this act shall be segregated in a nonreverting fund and used only to pay the two percent (2%) pay increase for all employees of state agencies granted by subsection (b) and payable in the state fiscal year beginning July 1, 2002, to supplement the allotments made under subsection (b). The amounts segregated under this subsection are appropriated as they are deposited and must be automatically allotted for the purposes of this subsection.

(e) Subsections (b) and (d) apply to employees working for state agencies if the agency is funded from the state general fund, dedicated funds, dedicated accounts, or federal funds.

(f) Subsections (b) and (d) do not apply to a person for whom a salary is specifically set in state law.

SECTION 388. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to any provision of this act that provides that an appropriation, including any part of an appropriation, is automatically allotted.

(b) It is the intent of the general assembly that the appropriation be distributed or otherwise expended in conformity with the appropriation as provided by this act or, in the absence of a provision concerning the time of its expenditure, as soon as possible after the effective date of the SECTION of this act describing the appropriation.

(c) Notwithstanding IC 4-9.1-1-7 or any other law granting power to the state board of finance or another entity or official in the executive department of state government to transfer money among funds or between appropriations, money related to the appropriation may not be transferred for any purpose other than the purposes described in the SECTION of this act describing the appropriation and may not be used for any appropriation other than the appropriations described in that SECTION.

(d) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law, policy, practice, or rule granting allotment powers or powers to transfer, assign, or reassign appropriations to:

- (1) the budget director;
- (2) the budget agency; or
- (3) any other entity or public official in the executive department of state government;

no law authorizes the budget agency or any other entity or public official in the executive department of state government to delay or deny allotment, use, or distribution of the appropriations described in the SECTION automatically allotting the appropriation.

(e) The appropriations described in that SECTION shall be treated as automatically allotted for the purposes of the appropriation:

- (1) on the date or occurrence of the event specified in the SECTION describing the appropriation; or
- (2) in the absence of a specific date or event for allotment, on the effective date of the SECTION describing the appropriation.

An appropriation automatically allotted for one (1) quarter of a state fiscal year and not fully expended in that quarter remains allotted for expenditure throughout that state fiscal year.

(f) Notwithstanding any law giving discretion to any official to determine when to expend or distribute money appropriated by the general assembly, the state shall expend or distribute the amount of the automatically allotted appropriation as provided in the SECTION describing the appropriation or, in the absence of provisions in the SECTION concerning distribution, upon allotment. However:

- (1) ADA flat grant distributions to school corporations shall be made in equal amounts at the times and in the manner that tuition support distributions are made;
- (2) distributions for salary increases shall be made in equal amounts at the times and in the manner that other compensation is paid;
- (3) categorical grants to school corporations shall be made in accordance with the grant program procedures; and
- (4) expenditures for C.H.O.I.C.E. shall be made without undue delay in accordance with payment procedures for the program.

(g) If there is insufficient money to make all appropriations made by the general assembly for the state fiscal year beginning July 1, 2002, and ending June 30, 2003, any adjustments in state spending necessary to make the expenditures of automatically allotted appropriations shall be made from appropriations other than the automatically allotted appropriations."

Page 334, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 395. [EFFECTIVE JULY 1, 2002] (a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(b) Before July 15, 2002, the office shall apply to the United States Department of Health and Human Services for approval to amend the state Medicaid plan for the purpose of obtaining:

- (1) the certification of distributions under:
  - (A) IC 12-15.5-4-1, as added by this act; and
  - (B) subsection (h) of the immediately preceding SECTION of this act;
 to obtain federal financial participation; and
- (2) federal financial participation for payments made under:
  - (A) IC 12-15.5-5-3, as added by this act; and
  - (B) subsection (g) of the immediately preceding SECTION of this act.

(c) The office may not implement the amended state Medicaid plan until the office files an affidavit with the governor attesting that the proposed amendment to the state Medicaid plan applied for under this SECTION was approved. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that the proposed amendment is approved.

(d) If the office receives approval of the proposed amendment to the state Medicaid plan under this SECTION from the United States Department of Health and Human Services and the governor receives the affidavit filed under subsection (c), the office shall implement the amendment not more than sixty (60) days after the governor receives the affidavit.

(e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION."

Page 334, delete lines 32 through 42.

Page 335, delete lines 1 through 16.

Page 335, line 20, delete "SECTION 314 of".

Page 335, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 397. [EFFECTIVE JANUARY 1, 2003] IC 6-3.1-23.8, as amended by this act, applies only to ad valorem property taxes first due and payable and paid after December 31, 2002, regardless of whether the taxpayer's taxable year began after December 31, 2002."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 19, nays 6.

BAUER, Chair

Report adopted.

## SPECIAL ORDER OF BUSINESS

### House Resolution 1 (ss)

The Speaker handed down House Resolution 1 (ss), authored by Representative Grubb, which had been made a special order of business:

A HOUSE RESOLUTION urging President Bush to reverse the decision of the federal Office of Management and Budget to zero out funding for the accelerated destruction of the VX nerve agent stored at Newport, Indiana.

*Whereas, The terrorist attacks of September 11, 2001, demonstrated that the potential for attacks on U.S. chemical stockpile storage poses a significant and credible risk to the public;*

*Whereas, The U.S. Army has a chemical depot at Newport, Indiana, that stores the biological VX nerve agent;*

*Whereas, The U.S. Army has the capability to accelerate the destruction of the VX nerve agent stored at Newport, Indiana;*

*Whereas, The federal Office of Management and Budget has decided to zero out funding for implementing the accelerated destruction of the VX nerve agent stored at Newport, Indiana;*

*Whereas, Although the country is in a period of fiscal restraint, cutbacks to homeland security endanger the safety of the American people; and*

*Whereas, The safe destruction of 1,200 tons of VX nerve agent stored at Newport, Indiana, is integrally connected to homeland security: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives strongly urges President Bush to reverse the decision of the federal Office of Management and Budget and to give the U.S. Army the necessary tools to implement the destruction of 1,200 tons of VX nerve agent stored at Newport, Indiana.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to President Bush, the Indiana Congressional delegation, and the federal Office of Management and Budget.

Representative Grubb withdrew the resolution.

## RESOLUTIONS ON FIRST READING

### House Resolution 2 (ss)

Representative Cochran introduced House Resolution 2 (ss):

A HOUSE RESOLUTION honoring Indiana University Southeast Chancellor F.C. Richardson on the occasion of his retirement.

*Whereas, F.C. Richardson will be stepping down from his position as Chancellor of Indiana University Southeast in June 2002, bringing an end to a 30 year career in education;*

*Whereas, Chancellor Richardson was only the fifth chancellor in the 60 year history of Indiana University Southeast;*

*Whereas, During his tenure, Chancellor Richardson did much to improve the learning environment at Indiana University Southeast;*

*Whereas, One of Chancellor Richardson's most important contributions was to increase the number of full-time faculty members on campus, thereby increasing the amount of time the faculty was available to counsel, advise, and interact with the students;*

*Whereas, Chancellor Richardson is also credited with increasing the enrollment on the Floyd County campus by 20% in just five years, bringing the number of students to 6,557, which is an all-time high for the university;*

*Whereas, This increased enrollment was partly due to a reciprocity agreement that established an in-state tuition agreement for residents in southern Indiana and three Kentucky counties to attend colleges and universities in those areas;*

*Whereas, Chancellor Richardson feels that "the learning environment carries outside the classroom, to the library and even into the coffee shop";*

*Whereas, It is through the efforts of men and women like Chancellor Richardson that the future of the young people of Indiana appears as a bright light on the horizon; and*

*Whereas, Chancellor Richardson is a remarkable man who has brought tremendous improvements to Indiana University Southeast and our entire educational system: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives wishes to thank F.C. Richardson for his countless hours of dedication to the education of Indiana's young people, to congratulate him on the occasion of his retirement from his 30 year career as an educator, and to wish him success in his future endeavors and happiness during his retirement.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Chancellor Richardson and his family.

The resolution was read a first time and adopted by voice vote.

## OTHER BUSINESS ON THE SPEAKER'S TABLE

### HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Wednesday, June 5, 2002 at 10:00 a.m.

HERRELL

Motion prevailed.

On the motion of Representative Murphy the House adjourned at 1:15 p.m., this third day of June, 2002, until Wednesday, June 5, 2002, at 10:00 a.m.

JOHN R. GREGG  
Speaker of the House of Representatives

LEE ANN SMITH  
Principal Clerk of the House of Representatives